



General Assembly

Amendment

February Session, 2008

LCO No. 5679

HB0515705679HDO

Offered by:

REP. O'CONNOR, 35th Dist.

SEN. CRISCO, 17th Dist.

REP. CARON, 44th Dist.

REP. WITKOS, 17th Dist.

To: Subst. House Bill No. **5157**

File No. 194

Cal. No. 104

***"AN ACT CONCERNING THE MARKETING OF MEDICAL
DISCOUNT PLANS."***

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subdivision (22) of section 38a-567 of the general statutes
4 is repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2008*):

6 (22) (A) With respect to plans or arrangements issued pursuant to
7 subsection (i) of section 5-259 of the 2008 supplement to the general
8 statutes, [or by an association group plan,] at the option of the
9 Comptroller, [or the administrator of the association group plan,] the
10 premium rates charged or offered to small employers purchasing
11 health insurance shall not be subject to this section, provided [(A)] (i)
12 the plan or plans offered or issued cover such small employers as a

13 single entity and cover not less than [ten] three thousand [eligible
14 individuals] employees on the date issued, [(B)] (ii) each small
15 employer is charged or offered the same premium rate with respect to
16 each [eligible individual] employee and dependent, and [(C)] (iii) the
17 plan or plans are written on a guaranteed issue basis.

18 (B) With respect to plans or arrangements issued by an association
19 group plan, at the option of the administrator of the association group
20 plan, the premium rates charged or offered to small employers
21 purchasing health insurance shall not be subject to this section,
22 provided (i) the plan or plans offered or issued cover such small
23 employers as a single entity and cover not less than three thousand
24 employees on the date issued, (ii) each small employer is charged or
25 offered the same premium rate with respect to each employee and
26 dependent, and (iii) the plan or plans are written on a guaranteed issue
27 basis. In addition, such association group (I) shall be a bona fide group
28 as set forth in the Employee Retirement and Security Act of 1974, (II)
29 shall not be formed for the purposes of fictitious grouping, as defined
30 in section 38a-827, and (III) shall not issue any plan that shall cause
31 undue disruption in the insurance marketplace, as determined by the
32 commissioner."